

**Assembly Bill No. 1499**

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Passed the Assembly May 14, 2009

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*Chief Clerk of the Assembly*

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Passed the Senate July 9, 2009

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*Secretary of the Senate*

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This bill was received by the Governor this \_\_\_\_\_ day  
of \_\_\_\_\_, 2009, at \_\_\_\_\_ o'clock \_\_\_\_M.

\_\_\_\_\_  
*Private Secretary of the Governor*

## CHAPTER \_\_\_\_\_

An act to add and repeal Section 19605.78 of the Business and Professions Code, relating to horse racing, and declaring the urgency thereof, to take effect immediately.

## LEGISLATIVE COUNSEL'S DIGEST

AB 1499, Evans. Horse racing: workers' compensation.

Existing law, until January 1, 2014, authorizes a quarter horse racing association to deduct an additional 0.5% of the total amount handled in its exotic parimutuel pools and a harness racing association to deduct an additional 1% of the total amount handled in conventional parimutuel pools of harness races, under certain conditions, for workers' compensation insurance costs of trainers and owners, as specified, with any funds not expended for this purpose in the year in which they are collected to either be used for the following year's workers' compensation costs or to benefit the purse pool, as specified. If the racing association and the organization representing horsemen and horsewomen cannot agree on the manner of distribution of these funds to defray the costs of workers' compensation insurance, the matter is required to be submitted to the California Horse Racing Board for a decision.

This bill would also authorize a fair to deduct an additional 0.5% of the total amount handled in exotic parimutuel pools of races for any breed, other than races solely for thoroughbreds. This deduction would also be for similar purposes and subject to similar conditions as the quarter horse racing association and harness racing association authorizations discussed above. This authorization would also expire on January 1, 2014.

This bill would declare that it is to take effect immediately as an urgency statute.

*The people of the State of California do enact as follows:*

SECTION 1. Section 19605.78 is added to the Business and Professions Code, to read:

19605.78. (a) Notwithstanding Section 19610 and in addition to the deduction specified in subdivision (b) of Section 19605.75,

a fair may deduct an additional 0.5 percent of the total amount handled in exotic parimutuel pools of races for any breed, other than races solely for thoroughbreds. This additional deduction shall only be permitted for a breed's races with the approval of the organization representing the horsemen and horsewomen of that breed at the fair.

(b) Any funds collected pursuant to subdivision (a) from exotic parimutuel pools on races within the inclosure of a racetrack, at satellite wagering facilities within this state, and through advance deposit wagering by residents of this state, shall be distributed to the organization described in subdivision (e) to be used in accordance with subdivision (d).

(c) Any fair that authorizes a betting system located outside of this state to accept exotic wagers on its races and to combine those wagers in the association's exotic parimutuel pools, including, but not limited to, a multijurisdictional wagering hub as to exotic wagers made by residents other than those of this state, may deduct the amount specified in subdivision (a) in addition to any other applicable deductions specified in law. Any amount deducted pursuant to this subdivision shall be distributed to the organization described in subdivision (e) to be used in accordance with the provisions of subdivision (d). This additional deduction shall not be included in the amount on which license fees are determined pursuant to Section 19602.

(d) The amounts distributed to the organization described in subdivision (e) shall be deposited by that organization in a separate account to defray workers' compensation insurance costs for trainers and owners who are racing breeds other than thoroughbreds at the applicable fair. Any funds not expended for this purpose in the calendar year in which they are collected may either be used for the following year's workers' compensation costs, as specified above, or to benefit the purse pool of each breed at the particular fair where the funds are generated in the same proportions as each breed generated at that fair in the year the funds are collected.

(e) The fairs and the organizations representing the horsemen and horsewomen of each breed for which deductions have been approved under subdivision (a) shall form an organization to which any funds deducted pursuant to subdivisions (b) and (c) shall be distributed. The fairs collectively shall have representation equal to the collective representation of the organizations representing

horsemen and horsewomen on the governing board of the organization formed pursuant to this subdivision.

(f) If the fairs and the organizations representing horsemen and horsewomen cannot agree on the manner for distributing these funds to defray the costs of workers' compensation insurance, the matter shall be submitted to the California Horse Racing Board for a decision consistent with subdivision (d), and the decision of the board shall be final.

(g) This section shall remain in effect only until January 1, 2014, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2014, deletes or extends that date.

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to ensure that trainers and owners of certain horse racing breeds continue to receive assistance in defraying workers' compensation insurance costs, as is currently done for trainers and owners of other horse racing breeds, it is necessary that this bill take immediate effect.







Approved \_\_\_\_\_, 2009

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*Governor*